

This note contains important information about the Single Farm Payment Scheme (SFPS). Please read this and the IACS 2009 Notes for Guidance before you start to complete your SAF and data sheets. Contact your SGRPID area office if you need more information.

1. The end of set-aside

The European Commission decided as part of its review of CAP Reforms to do away with compulsory set-aside from 2009. If you have set-aside entitlements, you will not have to set land aside from production to be paid on them.

We will be turning set-aside entitlements into normal (standard) entitlements and if you have set-aside entitlements we will write to you to confirm this change of name. This will not change the number or value of the entitlements you hold.

2. The end of existing National Reserve entitlements

Existing National Reserve entitlements will no longer have conditions attached to them. We will be turning National Reserve entitlements into normal (standard) entitlements, and you can now transfer them. If you have National Reserve entitlements we will write to you to confirm this change of name. This will not change the number or value of the entitlements you hold.

3. Reminder about liability for cross compliance

Last year we told you that the European Commission had changed the requirement to have land, which you use to activate your SFPS entitlements, from 10-months to a single day. We told you that day would be **15 May**.

Please remember that this also changed the liability for cross compliance failures. If you claim land on your Single Application Form (SAF) to support your claim under the SFPS you are responsible for ensuring that all cross compliance requirements (including GAEC) are met. And you will be financially responsible for any cross compliance failures even if these failures were due to the actions of others at other times of the year.

Please also remember that liability for any failures extends to the full calendar year (1 January - 31 December). You need to bear this in mind if you take on land that someone else has farmed before 15 May or if you let out land to someone else for them to farm after 15 May. If you let out land that you are using to support your SFPS claim there is nothing to stop you coming to an agreement with the other party which makes clear the responsibilities for observing cross compliance conditions and who is liable for any penalties incurred.

4. SFPS eligible land

SFPS eligible land is arable land and temporary or permanent pasture on which the production, rearing or growing of agricultural products is undertaken or maintaining the land in GAEC. You can now use land used for short rotation coppice to activate your standard entitlements for payment. Land that consists of areas of rocks, scree, roads, buildings, yards and hard-standings, water, trees, dense vegetative cover (gorse, scrub and monoculture stands of bracken) are ineligible.

Please remember that the land you claim on your SAF to support your SFPS claim must be eligible for the full calendar year (1 January – 31 December).

5. Entitlements usage rules

The European Commission has decided to reduce the period for returning unused entitlements (standard and payment entitlements with special conditions) to the National Reserve from three years to two years.

To ensure that claimants are not disadvantaged by this change we have made the following arrangements:

- For 2009 only, we will **not** confiscate entitlements not used in 2007 and 2008 if they were used (claimed) in 2006: and
- For 2010 only, we will **not** confiscate entitlements not used in 2008 and 2009 if they were used (claimed) in 2007.

6. Relaxation of the transfer rules

The European Commission has removed the requirement, for farmers/crofters who wish to transfer their entitlements without land, to have used (claimed) at least 80% of those entitlements in at least one calendar year.

If you wish to transfer out your entitlements, you do not need to be a farmer at the date of transfer. This means you can retire or cease farming and transfer your entitlements at a later date. Remember the person receiving your entitlements must be a farmer. **If you want the transferee to receive payment in the scheme year that the transfer takes place you must submit your transfer application on or before 2 April.**

7. Payment in Euros

We tell you that we can pay you in Euros under the SFPS in section 8 of the IACS (1) 2009 and that if you ask us to pay you in Euros that you can change your mind – you have until 30 June to do this. We also tell you that you need to open a separate euro bank account with a UK bank and give us the details of your euro bank account. We are unable to pay you unless you do this.

Please remember that the SFPS has a payment window that opens on 1 December. We do our best to pay SFPS claimants on or as soon as possible after 1 December, however, we cannot guarantee any payment (Euro or Sterling) by any given date.